

GOVERNOR HOLDS
WATER CONFERENCE

Leaders of Big Business Interests Discuss Plan For Sliding Scale

Government Seeks Accurate Information and Square Deal They Are Told

"What we were after was to discover the commercial value of water, or to find some means of discovering that value."

In these words Governor Pinkham yesterday summed up the object of an important conference between government officials and business men of the Territory in his office yesterday morning. A plan which provided for the payment for water on a "sliding scale" to correspond with the rising and falling price of sugar, had been outlined by G. K. Harrison, Territorial hydrographer, and was submitted to the meeting by its author.

After a number of difficulties were pointed out by the practical sugar men present, it was decided that Governor Pinkham will write a statement of the proposed plan to the firms represented at the meeting, and they would answer, giving their opinion on the suggestions. The Governor's letter will be forwarded at once.

Reason for Meeting
In opening the meeting Governor Pinkham made the following statement:

"The reason for calling you gentlemen to meet with the executive and affiliated department heads is to confer with us the value of various government irrigating waters and endeavor to ascertain a sliding scale, if possible, that will correspond to the varying yields of sugar, they produce and the market price obtaining."

"An endeavor has been made to prepare such a scale, but I leave you to form your own opinions."

"The government wishes no advantage; it wishes a fair treatment as occurs in water deals on a large scale between private interests. In case sugar prices become depressed, the government desires to so operate it will not be oppressive or destructive of enterprise."

"We have reverted to the government's possession some five large bodies of land that constitute self-contained business enterprises, wholly without extraneous support, and which must, in order to be successful, be run on strictly business principles."

"The government will seek correct and exact information from those of you qualified to advise in a strictly business sense as to values, equipment and operating capital required to fully and completely, without waste, utilize the maximum capacity of these lands."

Seeks Information
"The executive seeks information of those possessed of absolutely accurate facts, and expects those facts to be given, as well as the result of experience, and does not rely on those presenting simply theories."

Land Commissioner Rivenburgh, Territorial Hydrographer Harrison, Deputy Attorney General Smith and Territorial Treasurer McCarthy, with the Governor, represented the government at the meeting. Among the others present were: John K. Clarke, representing Hind, Ralph & Company, as manager of the firm's Honolulu office; C. Brewer & Company, Ltd., was represented by Alonzo Gardley; Castle & Cooke was represented by E. D. Tenney and T. H. Petrie; Waialua Plantation was represented by W. W. Goodale; F. A. Schaeffer & Company, Ltd. was represented by Wilhelm Lanz; vice president; Alexander & Baldwin was represented by Charles R. Hemmingsway; George Rodick and J. F. C. Higgins represented H. Hackfeld & Company, Ltd.; Rev. Hans Isenberg represented Lihue Plantation, and Col. Z. S. Spaulding, Mahee Sugar Company.

NEW PEOPLE'S BANK
OF HILO INCORPORATED

Business Will Be started About First of September

Articles of incorporation of the People's Bank of Hilo were filed yesterday in the territorial treasurer's office by Joseph G. Pratt, former postmaster of Honolulu, who is the cashier of the new bank, and J. W. Russell of Hilo an attorney and one of the directors of the institution.

It is expected to start business about the first of the coming month in the new building which the People's Bank has constructed of concrete on the site of the old Bishop's Bank.

The capital of the institution is \$100,000 and, as provided by law, seventy-five per cent is subscribed and fifty per cent paid up.

The officers of the new bank are William Chalmers, a well known sugar man of the Big Island, president; P. C. Heimer, vice president; M. de P. Spinola, for twelve years cashier of the First Bank of Hilo, secretary, and Mr. Pratt, cashier. The directors are the officers and Judge T. E. M. Osoiri, W. H. Smith and J. W. Russell.

Javanese Borers

In Java borers are the most destructive enemies of sugar cane. There are four species: the striped stalk borer, yellow tip borer, white tip borer, and the gray borer. The Java experiment station annual report for 1915 contains a report on these pests and their parasites by P. van der Goot.

Sugar and Plantation News

BEET SUGAR ORGAN
ON 'PAPER' EXPORTS

Takes Issue With Chamber of Commerce of United States' Recent Bulletin

War Would Create Serious Sugar Shortage On the Mainland

Some interesting figures are contained in a bulletin issued by the chamber of commerce of the United States, bearing date July 26. Figures are presented for various important products with the idea of showing that the growth of population in the fifty-year period, 1865-1915, has been proportionately smaller than the increase in the production of certain necessary food products. This is supposed to prove how it would be impossible to starve the population of the United States in case of war.

The figures given for sugar, however, will bear a little readjustment and explanation. The bulletin says: "Cane sugar is pointed to as a most remarkable exhibit. It is largely a tropical and subtropical product and consequently can be grown only in a limited area in the United States. Like the production of sugar in this country has always been complicated by the tariff. Yet despite these facts according to the report (compiled by the committee of statistics of the chamber of commerce) domestic production increased about 1600 per cent against 1000 per cent in imports. Meanwhile exports from this country have increased over 200 per cent."

Paper Exports
"The only impression to be gained by reading the foregoing paragraph is an entirely erroneous one," says Sugar. "Anyone not acquainted with the real figures might be pardoned for supposing that despite adverse tariff laws, and also in spite of the fact that but a very small portion of the United States is adapted to raising sugar cane, that production has so gained that we have become heavy exporters of sugar."

"It is hard to conceive how the United States ever could become an exporter of sugar under normal conditions. The report uses the year 1915 for comparison. This does not mean anything and furthermore is entirely misleading. Take the year 1913, a normal year as far as the sugar world was concerned, and only 25,967 more tons of sugar were exported from the United States than was exported fifty years previous. This is an increase of about 160 per cent. One hundred and sixty per cent parenthetically, can denote a huge increase or a very little one, depending entirely upon the starting point."

Percentages Misleading
"A publisher once had a lone subscriber in a certain far distant part of the world. One day he added another. He then triumphantly announced that his subscription in a certain part of the world had doubled. So it had, but after this increase of 100 per cent, he had yet two forlorn subscribers. Now if he had started out with 5000 subscribers and increased it 100 per cent, the percentage of increase would have meant something. So it is with the increase in sugar exports."

"Exports of 601,103,749 pounds in 1915 against 32,635,290 pounds in 1865, a big percentage increase even though in actual pounds it is not important, but at that even the percentage is significant of nothing. It is as if an American made sugar that was exported, but foreign rains brought in refined and sold as refined granulated or refined on toll. The only profit in the transaction was that accruing to the refiners."

Noted in Transit Only
"Under our laws, foreign sugar may be imported and refined and upon report is subject to a drawback equal to practically the entire duty. The United States is no more entitled to the credit of being the exporter of this sugar within the sense of the bulletin in question than can the painter who has painted 'shine' on one's motor car claim to be the manufacturer of the car. The sugar was made before it stopped off long enough at the American seaboard to get the finishing touch put on it. It is a little more than a milling in transit."

Who can say when a country is prepared against siege and the consequent cutting off of outside sources of supply? Certainly the fact that our sugar exports have increased 2000 per cent in fifty years, on paper, would not stand the acid test of war. As a matter of fact we are producing within our own country today only something over a million tons of beet and cane sugar.

Can't Tow Hawaii
"The balance of American made sugar is produced in Hawaii and Porto Rico, and after that we have to look to Cuba. In war time, following the example set by the bulletins, Hawaii could be taken up by the roots overnight and set down somewhere in Iowa and left to go ahead and make sugar. Neither could Porto Rico. They would remain islands, entirely surrounded by hostile naval equipment, the enemy, however it might be, could master them, while it is close at hand, still is not on the main land, and sugar shipments might be jeopardized."

Some War Lessons
"Even with a sufficient production at home and to spare us in the case of the Central powers, and even with France, prior to the war, the test of the last two years has demonstrated how surplus has a discouraging hab-

NO SUGAR FOR BREWING
LEFT IN GERMANY NOW

According to "Die Deutsche Zuckerindustrie," June 23: Several of the leading German breweries have directed a petition to the German authorities, calling the attention of the latter to the fact that if the government will not supply the brewers with sufficient quantities of sugar they will be obliged to cease operations. (Owing to the recent regulations taken with regard to the sugar distribution in Germany, there is not nearly enough to cover the brewers' wants.)

As a result of this, the authorities have informed the brewers that they will be allowed to use saccharine to sweeten beer. In order to control the quantities of saccharine to be used, a company has been established by the government at Berlin named "Rheinisch-Preussische Zuckerfabrikation." Directors are Mr. Naeher and Dr. Flemming.

Saccharine Substitute
"Die Centralblatt für die Zuckerindustrie" is accepting itself with the important question whether, after the war, saccharine will continue to fulfill the important role it is playing today in the German sugar world as a substitute for sugar. Whereas, before the war its use was severely prohibited, it is not only allowed but even encouraged today. It is very possible that after the war the authorities will allow a continued use of saccharine in such cases, where its use is simply as a sweetening product. This would liberate, of course, a considerable quantity of sugar in Germany which could be reserved for export. This will allow Germany to enter the sugar market before the war the annual consumption of saccharine in Germany amounted to 6600 lbs. At present 2200 lbs. of saccharine are produced every day in Germany. Before the war Germany's saccharine export amounted to 88,000 lbs. a year.

Three Coast Factories
SANTA ANA, August 8.—When the machinery at the sugar refining plant of the Santa Ana Sugar Company was thrown into motion this week three of Orange county's huge factories were in full operation, doing their share in working up the product of approximately 50,000 acres of land in the county, valued at approximately \$1,000,000.

The Southern California and the Holly plants will begin between August 12 and 20. The former is in this city and the latter at Huntington Beach. The Los Alamitos Sugar Company's factory was the first to begin operations this season. The Anaheim Sugar Company's plant was second, opening its campaign a week ago.

It is estimated that the entire sugar beet acreage in Orange county this season is about 60,000. Of this amount the product of about 1000 acres is shipped out of the county. Several of the factories import beets from outside the county.

Borers In Cuba

Porto Rican entomologists who have recently investigated cane pests in Cuba and Jamaica report the borer less abundant in Cuba than in either Porto Rico or Louisiana. A Tachinid fly parasite on the borer grub was found abundant in nearly every field in which the borer was present. It is estimated that twenty-five per cent of the borer larvae in Cuba, half grown or larger, are parasitized by this tachinid. A similar species was found in Jamaica. The general practice of not burning the trash favors the effectiveness of a borer egg parasite also. "Sanitation" in harvesting, or cutting close to the ground and destroying injured stalks, are also factors in keeping down the borer in Cuban fields.

Signing Up For Beet Acreage

HANFORD, California, August 8.—Contracts will be closed at Corean within a few days by which 10,000 acres will be planted to beets there next season. The contracts are being made by the Corean and San Joaquin Sugar Companies, with a few of the big ranchers in this case so that they will be assured of ample beets for next season.

Harvesting this year's crop is now going ahead rapidly. The ranchers find a shortage of labor in many cases. Two carloads of Mexicans, forty-eight in all, have been brought on "rubber neck" cars from Los Angeles.

Speculators Suffer

The opinion was expressed by one of the sugar agencies yesterday that slow sales and low prices during August have been due to heavy deliveries of sugar sold early in the season at high prices. "For August shipment," it is surmised that a good many speculators have been hit very hard. A resumption of buying will probably occur next month.

Sugars Botanically

A new method of determining the amount of sugars in plant tissues is reported in the Annals of Botany, where it is desirable to find out in what particular tissues the sugars are located. Microscopic sections are treated with a chemical reagent.

WILLET & GRAY'S
REPORT OF AUG. 10

Himely's Estimate of Cuban Crop Now Just Over 3,000,000 Tons

Sales at New York during the week ended August 10 totaled about 300,000 bags, Cuban and Porto Rican. Willet & Gray report receipts at the United States Atlantic ports, 64,519 tons; melons, 35,000 tons; total stock, 291,039 tons, against 256,520 tons last week and 251,531 tons last year. The combined output from them for 1916 is estimated at 3000 tons of sugar, or its equivalent in rum.

Of the eight individual concerns, the following are the most important: "Concordia," "Whim," "Hoguesburg," "Diamond" and "Clifton Hill." Rum alone is made by several of these individual concerns, and the combined output from them for 1916 is estimated at 3000 tons of sugar, or its equivalent in rum.

British Sugar Stocks
The warehouse stocks of sugar at the close of June, 1914, amounted to 5400 tons foreign refined (loaves); 26,550 tons other sorts of foreign refined; 50,750 tons British refined, and 234,300 tons raw; whereas, at the corresponding date of 1915 stocks were 950 tons foreign refined; 83,450 tons other sorts; 33,800 tons British refined; and 128,500 tons raw; and at the end of last month 200 tons foreign refined; 33,500 tons other sorts; 18,250 tons British refined and 111,200 tons raw, representing totals of 317,000 tons of sugar in 1914; 236,700 tons in 1915 and 163,450 tons in 1916.

The Eastern Market
During the week ended August 10 sales of raw sugar at New York were very small, according to telegraphic advices received by one of the sugar houses. Eight thousand bags Cuban in 1916, 10,000 bags full duty about 8000 bags Porto Rican in port and 2500 tons Philippine 90° raws, on cars at terminals, constituted the week's business.

At the end of the week there was a better feeling. Holders of Cuban were asking 5.77, with buyers offering 5.52, but it was thought buyers would advance their ideas this week.

Pheasants Don't Eat Cane
So much complaint was made about pheasants eating beets in a number of beet districts in northern Colorado that the Great Western Sugar Co. asked permission of the state to kill a dozen of the birds and determine just what is in the crops of the birds. In a majority of the birds' crops it was found that they had been living on the tender beets, bearing out the contention of the beet growers. The state law protects the birds and destruction of crops is held to be no excuse for killing them.

H 109 Is Ewa's Cane
Manager George F. Renton of Ewa is authority for the statement that the crop will overrun the latest estimates. The juices have improved and per acre yields are higher, since the rains. The new variety H 109 is "Ewa's cane," and the acreage devoted to it is being rapidly extended. It is very much superior to H 1135 and this fact has not been susceptible to the Lahaina disease.

Starch and Sugar
Starch and sugar have long been considered identical in composition, but American chemists have recently demonstrated that starch invariably contains phosphoric acid in chemical combination with the carbon, hydrogen and oxygen. Starch grains also contain infinitesimal traces of proteins. The phosphorus is so combined that it can not be removed by dilute acids.

Honokaa Prospects Good
Manager W. P. Naquin reports good growing weather at Honokaa. "Prospects for the coming crop are very promising," he stated in a letter to Schaeffer & Co. yesterday.

Sugar, Morning and Night

The natural acidity of plants is high in the early morning than at night. The sugar content is also higher at dawn than at sunset. Just exactly why these things are so the plant doctors do not know, but they are studying the problem.

McBryde's Crop
McBryde is now drying off. Alexander & Baldwin stated yesterday that the crop should be between 15,500 and 15,800 tons.

Swedish Scientists Declare
that the food value of wheat bran is so high that in times of scarcity it is a mistake to feed bran to animals.

Waialua In Good Shape

Manager W. W. Goodale of Waialua said yesterday that his plantation will finish grinding next month. Conditions are highly satisfactory in all branches of the work.

Kilauea Equals Estimate

Kilauea has finished grinding its crop being 5200 tons, or the same as the manager's June estimate. The price of beet seed in Germany is 250 marks a ton.

Onomea Exceeds Estimate

C. Brewer & Company announce that Onomea will finish grinding early next week. The crop will be about 18,200 tons, or 700 tons more than the manager's June estimate.

QUEENSLAND HAS
ENOUGH MILLS

Official Report of the Government Board of Inquiry

BRISBANE, Australia, August 4.—The report has been issued of the board of inquiry appointed by the Queensland government to investigate the position of the sugar industry in Australia with regard to the possibility of over-production, the wisdom of establishing additional mills, and the most suitable localities for such mills if required. A summary of the findings is as follows:

Regarding the possibility of over-production, the mills now in operation, with the assistance of South Johnstone, are capable of producing 355,000 tons of sugar in a season, and the Commonwealth consumption is 290,000 tons with a yearly increase of some 5000 tons.

No New Mills Needed
As long as the population maintains its present rate of progression, and if sufficient cane were forthcoming to keep all the mills in operation, there would be over-production of some 65,000 tons per annum; but as the maximum yield in any one year so far has been 265,000 tons, and the Bahluda, South Johnstone, and Inkerman mills are capable of producing another 45,000 tons, there is no reason to anticipate a yield of more than 310,000 tons, increasing to 315,000 tons when the projected additions to existing mills are completed. It is consequently certain that with the first season as good as that of 1913 we shall be faced with over-production, though the steady increase in population year after year from natural causes will tend gradually to diminish the amount of such anticipated surplus.

Regarding the wisdom of establishing new mills it would be unwise for the Queensland government to erect additional sugar mills at the present time and under present conditions.

Beet Acre Yields

Sugar beets will be ready to dig in August around Burbank, according to D. W. Chamberlain. He drills seed in March, about fifteen pounds per acre about four inches deep, and thins to eight or ten inches apart. He irrigates two or three times and gets about fifteen tons per acre. The prices run about \$6 per ton delivered at the sugar plant.

The Next Crop

Manager A. M. Nowell of the Sugar Factors' Company estimates the 1916 crop at 585,000 tons in round numbers. From preliminary reports the 1917 crop may foot up somewhere around 650,000 tons although the first formal estimate, for shipping purposes, will not be made until after September 15.

A workingman's compensation act will go into effect in Cuba next December.

A DOZEN FAMILIES
CURED OF ITCH
BY CUTICURA

Showed No Marks but Whole Body Itched Like a Million Mosquitoes—Sleep Out of the Question and Life Became an Inferno.

DOCTORS AND DRUGGIST
TREATED THEM IN VAIN

"The Cuticura Remedies are the best in the world, as I know from experience. In Dowling's house, about fifteen years ago, families were stricken whole-sale by a disease known as the Itch. Believe me, it is the most terrible disease I ever kind that I know of. As it itches all through your body and makes your life an inferno. Sleep is out of the question and you feel as if a million mosquitoes were attacking you at the same time. Yet you could use nothing on the skin. But the Itch was there all right and I sincerely trust that I shall never get it. I know a dozen families that were so affected. The male members and myself belonged to the same society and, as steward, it was my duty to visit the sick members once a week for sick benefit until they were declared off. That is how I became so familiar with the Itch."

The doctors did their best but their remedies were of no avail, whatever. Then the families tried a druggist who was noted far and wide for his remarkable cures. People came to him from all parts of the country for treatment but his medicine made matters still worse, as a last resort they were advised by a friend to use the Cuticura Remedies. I am glad to tell you that after a few days' treatment with Cuticura Soap, Ointment and Resolvent, the effect was wonderful and the result was a perfect cure in all cases."

Three Crop Finals

The following finals were announced yesterday by Theo. H. Davies & Co.: Kaeloku, 4700 tons; Kauliki, 5000 tons, and Halawa, 1706 tons. Kaeloku crop is 200 tons over the estimate; Kauliki, 1000 tons below, and Halawa, 306 tons more than anticipated last June.

Oahu and Pioneer

Oahu Sugar Company had manufactured 31,065 tons of sugar Saturday, August 19, and on the same date Pioneer had milled 31,198 tons. Each of these has another 1000 to 1500 tons to take off so that both will exceed their June estimates by about 2000 tons.

SALE OF MAKEE
NOT YET CLOSED

Honolulu Agents For Lihue Sugar Company Say Deal Still Is Pending

There is a Difference of \$500,000 Between Price Wanted and That Offered

It was reported yesterday that the negotiations long in progress between Mahee Sugar Company and Lihue Sugar Company, under which the former is to be absorbed by the latter, have virtually been completed. Col. Z. S. Spaulding of Kauni and his son, E. P. Spaulding of San Francisco, recently came to Honolulu, it is said, to consummate the deal.

Mahee Sugar Company is a close corporation, the stock of which is entirely controlled by the Spauldings. Lihue Sugar Company stock is also closely held, there having been originally only fifteen shares. The Rice, Cooke, senberg and Wilcox families practically control Lihue, although a few of the original shares are owned abroad.

Mahee Makes First Offer
It was stated yesterday that the offer to sell came first from the Mahee shareholders and the negotiations to date have been delayed until the two groups were in accord as to values of the shares to be transferred.

H. Hackfeld & Co., agents for Lihue plantation, stated yesterday that they have no information to give out. They acknowledge that negotiations have been under way, but denied that a definite understanding had been reached. There are still a number of points on which there is divergence of opinion between the parties to the negotiations.

A Lihue shareholder indicated that one of the chief points on which there is a difference of opinion is the value of the Mahee lands, leaseholds and water rights.

Petition To Increase Capital

A petition for amendment to the articles of association of the Lihue Sugar Company has been filed in the office of territorial treasurer McCarthy. The petition asks that the company be allowed to increase its capital stock from \$2,100,000 to \$3,000,000, and to also the limit of its capitalization from \$2,500,000 to \$3,000,000.

This proposed increase in capital stock, it is understood, is to pave the way for the acquisition of Mahee and necessary financing of the purchase and operation.

Mahee Sugar Company is assessed at \$1,125,000. The crop this year is about 9000 tons, whereas Lihue's crop is expected to run 11,000 or better, and only a small amount of work remains to be done on this crop. It is a large asset of the company and figures as such in the proposed sale.

The price placed on Mahee plantations by Col. Spaulding is said to be \$2,000,000, whereas Lihue interests are said to have offered \$1,500,000, an compromise will, it is believed, ultimately be effected between these outside figures.

COTTAGES FOR MAUI
HOTEL TO BE FINISHED

Manager Field Pleased With Tourist Prospects

W. L. Field, manager of the Maui Hotel, Wailuku, Maui, returned from San Francisco via the Lurline yesterday morning after a month's absence from the Islands.

Mr. Field went to the Coast to buy things and furniture for four six-room cottages, which the hotel will build, and to get labor-saving machinery for the hotel. He said that fifty rooms in the hotel had been reserved for the season, including the new cottages. He brought back news that the new Northern Pacific Steamship Company expects a fine business to the Islands this winter. Fifteen hundred passengers already have been booked. It was told in Los Angeles that the Maui Hotel is preparing for its share of the swell for last year's facilities were not sufficient for the business.

BAKERY ASKS DAMAGES
FOR INJURIES TO HORSE

The Lustrana Bakery has sent a bill to the city for fifty dollars, damages alleged due to injuries received by one of its delivery horses which stepped into an open drainage aperture in Hotel street one night last month. The bill bore the O. K. of the city attorney's office. The supervisors referred it to the police committee.

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